

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| THE APPLICATION OF GTE SOUTH |) | |
| INCORPORATED FOR AN ORDER |) | |
| AUTHORIZING THE ISSUANCE AND SALE |) | CASE NO. 92-286 |
| OF SECURITIES |) | |

O R D E R

On October 2, 1992, the Commission issued its Order in this case authorizing GTE South Incorporated ("GTE") to issue, sell, and deliver up to \$225,000,000 of its First Mortgage Bonds or debentures in one or more transactions over a two-year period. GTE proposed to issue \$75,000,000 of the debt pursuant to a shelf registration then on file with the Securities and Exchange Commission ("SEC") and \$150,000,000 pursuant to a separate registration to be filed if needed. GTE sought and obtained Commission approval to use the proceeds of the issue to reduce short-term and long-term debt.

After the Commission issued its Order, the SEC determined that the existing shelf registration was too old and required GTE to file a new registration statement. The new statement was approved and on November 24, 1992, GTE issued the \$75,000,000 of debt in the form of 6.25 percent debentures with a maturity of five years. The proceeds were used solely to reduce short-term debt.

GTE has not yet filed a registration statement for the remaining \$150,000,000 of debt but plans to do so in the future and to use the proceeds to reduce short-term debt incurred since October 2, 1992, and to redeem other high coupon long-term debt.

By supplemental application filed September 30, 1993, GTE requests that the Commission ratify its issuance of the \$75,000,000 of debt and its use of the proceeds and further, to confirm its continuing authority to issue the remaining \$150,000,000 of debt.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the issuance and sale by GTE of \$75,000,000 in debentures on November 24, 1992, and its proposed issuance and sale of an additional \$150,000,000 of First Mortgage Bonds or debentures are for lawful objects within its corporate purposes, are necessary and appropriate for and consistent with the proper performance of its service to the public, are reasonably necessary and appropriate for such purposes, and should, therefore, be approved.

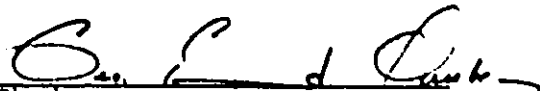
IT IS THEREFORE ORDERED that:

1. The proceeds from the transactions authorized herein shall be used only for the lawful purposes set out in the supplemental application.

2. All other provisions of the October 2, 1992 Order shall remain in full force and effect.

Done at Frankfort, Kentucky, this 21st day of December, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director